

PERFORMANCE BUDGET



Fiscal Year 2006

U. S. Railroad Retirement Board

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Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2006 to support our mission (see Figure 1 on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. We will use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a renewed focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our **Strategic Plan for Fiscal Years 2003 - 2008** and can be easily cross-referenced to that plan. The President's budget identified a set of government-wide reforms that agencies are expected to carry out over the next several years. These reforms are reflected in this performance budget in order to communicate our intentions for meeting these challenges. We will hold managers accountable for achieving these reforms, thereby making our agency more citizen-centered, results-oriented, and market-based.

The performance budget provides detailed performance goals, performance indicators and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in fiscal year 2006. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the **Customer Service Plan** and the **Information Technology (IT) Capital Plan**. We have also developed a separate **Enterprise Architecture Capital Asset Plan**, which includes investments needed to implement the agency's target enterprise architecture. These plans reflect input and feedback from our stakeholders, and they result in the annual submission of the agency budget to OMB and the Congress.

The RRB's strategic and performance goals are presented on pages 31-38. Information is provided in the Exhibit on anticipated performance in fiscal year 2006 for each performance goal at the President's proposed budget level of \$102.543 million. The RRB has also requested an additional \$855,200 in fiscal year 2006 for critical elements of the Enterprise Architecture Capital Asset Plan (EACAP). These are listed on page 35.

In support of the President's Management Agenda initiative to improve financial performance, by November 15, 2006, we will prepare and submit to the President and the Congress a report on program performance for fiscal year 2006, as part of our combined Performance and Accountability Report. The report will be audited by the RRB's Office of Inspector General (OIG) to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems and will compare the performance goals and indicators to actual program performance for that fiscal year. This performance budget meets the requirements of the Government Performance and Results Act (GPRA) and was prepared by RRB employees.

Figure 1

***RAILROAD RETIREMENT BOARD
MISSION STATEMENT***

The RRB's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The RRB also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the RRB will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The RRB will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

Strategic Goal I: *Provide Excellent Customer Service.* We aim to satisfy our customers' expectations for quality service both in terms of service delivery options and levels and manner of performance. At the President's budget level, we plan to allocate \$78,754,813 and 724 full-time equivalent employees to this goal. In addition, we are also requesting \$855,200 to fund critical elements of our Enterprise Architecture Capital Asset Plan. We have established four performance goals that focus on the specifics of achieving this strategic goal.

Performance Goal I-A: Pay benefits accurately and timely. The RRB is committed to ensuring that we pay the right benefits to the right people in a timely manner. We have a number of measures in place to track the accuracy and timeliness of the actions we take in a year, regarding both Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs.

The principal indicators of **accuracy** are the benefit payment and case accuracy rates in each program. Our performance goal is to ensure that we can continue to meet or exceed 99 percent payment accuracy in the payments we initiate or manually adjust in a given year. (Payment accuracy is defined as the percentage of dollars paid correctly as a result of the adjudication action performed.) We have also established case accuracy goals (the number of cases paid without material error/the number of cases paid) so that at least 94 percent of cases handled under the RRA are accurate, and that at least 97 percent of those paid under the RUIA are handled correctly. To accomplish these goals, we will:

- *Monitor payment and case accuracy and identify problems.*
- *Provide feedback and take additional preventive actions as appropriate.*
- *Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.*
- *Inform our customers about their responsibilities.*
- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*
- *Monitor key payment workloads.*

In accordance with the Improper Payments Information Act of 2002, the RRB has reviewed its benefit payment programs and has concluded they do not have significant improper payments as defined by OMB guidance M-03-13. Nevertheless, we will continue to monitor our benefit payment programs and take the necessary action to minimize improper payments.

Benefit payment accuracy rates have historically exceeded 99 percent. However, adequate funding is needed to continue high levels of payment accuracy. Without adequate funding, payment accuracy will decline.

Our performance in the area of benefit **timeliness** is also a key indicator of our customer service. We have a customer service plan with timeliness standards (i.e., targets for when to expect the service requested) in 10 separate claims processing service areas, as shown in the Exhibit to this performance budget. The composite for our actual overall performance for fiscal year 2004, is 98.5 percent. (The composite of our performance targets based on actual workloads for the full year was 97.6 percent.) This means that customers received benefit services within the timeframes promised in the Customer Service Plan over 98 percent of the time. We have also

**Overall Timeliness Performance,
Fiscal Year 2004**

- Retirement applications: 96.2% (target: 94.0%)
- Survivor applications: 93.2% (target: 89.3%)
- Disability applications/payments: 75.2% (target: 79.0%)
- RUIA applications/claims: 99.7% (target 98.9%)

developed 4 subordinate indicators to highlight overall performance for our 4 major benefit areas. (See adjacent box.)

Although we have consistently achieved timeliness rates well in excess of 90 percent in almost all areas of claims processing, we acknowledge our continued inability to achieve higher goals for timeliness in the disability program. In spite of significant efforts in this area over the past several years, we realize that our current goals, which are restricted by our limited available resources, are still not high enough to satisfy our customers' needs and expectations. We

will continue to strive for improved performance in this area.

Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand. In addition to making payments, we provide a variety of information to our customers. We provide general information through our website, publications, and our toll-free automated Help Line. We also provide information to individuals through annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, annual income tax statements, and answers to questions regarding benefits. It is important that we provide this information in a timely manner and in ways that are accessible and responsive to the individual's needs. The information must also be meaningful to the customer and easy to understand. The timeliness of our information is measured by how well we succeed in achieving the levels of service designated in our Customer Service Plan and by maintaining acceptable workload balances. Customer feedback through American Customer Satisfaction Index (ACSI) surveys and directly from customers will help us determine whether the information we are providing satisfies our customers' needs and expectations. To accomplish this, we will:

- *Listen to our customers to determine their expectations and whether those expectations are being met.*
- *Conduct an ACSI survey to obtain customer feedback.*
- *Adjust our Customer Service Plan or our processes, based on customer feedback.*
- *Monitor key informational workloads.*
- *Focus on interactive electronic solutions that provide immediate responses and intermediate status updates.*

Performance Goal I-C: Provide a range of choices in service delivery methods. To fulfill customers' needs, we must provide high quality, accurate services on a timely basis, and in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. Consistent with our vision statement, we strive to provide a broad range of choices for customer service. Our customers have indicated strongly that they want us to continue personal service. We intend to do so through our nationwide network of local district offices. We will also take advantage of technological developments that will satisfy our customers.

Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of new electronic services we can provide in each program at a reasonable cost. Our goal is to expand customer choice by offering alternative access to our major services. To achieve this objective, over the course of the next 5 years, we plan to:

- *Provide our customers with information as well as the ability to apply for benefits over the Internet.*
- *Provide additional services through the interactive voice recognition telephone system.*
- *Seek customers' service delivery preferences.*

Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers. To correctly pay benefits, the RRB must receive timely and accurate reports of the compensation and service months of covered employees. It is the responsibility of the employer to provide these reports with respect to its employees. To ensure the receipt of accurate and timely annual reports, as well as the proper filing of other reports and forms, the RRB must strive for a system of reporting which is easily understood, places minimal burden on employers and ensures compliance with the applicable laws. To accomplish this, the RRB intends to:

- *Continue to develop a system whereby employers can conduct daily business transactions and file required reports over a secure website.*
- *Continue to look for ways to encourage employers to file accurate and timely annual service and compensation reports.*

Strategic Goal II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources. The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the President's budget level, we plan to allocate \$23,788,227 and 207 full-time equivalent employees to this goal.

Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded and reported appropriately. The RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through annual audited financial statements, actuarial valuations, our financial projections, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. To accomplish this commitment, we will:

- *Continue to issue annual audited financial statements.*
- *Continue to perform the RRB's actuarial valuations and financial projections.*
- *Continue to estimate the RRB's funding requirements for the Dual Benefits Payments Account.*
- *Continue to carry out the RRB's debt collection policy.*
- *Continue to accurately and timely determine the experience-based contribution rates required under the unemployment and sickness insurance program.*
- *Verify that payroll taxes are fully collected and properly recorded.*

Additional information concerning the RRB's responsibilities with regard to the National Railroad Retirement Investment Trust is also shown under performance goal II-D on page 38.

In support of the President's initiative to improve financial performance, we prepared a combined Performance and Accountability Report for fiscal year 2004. In October 2004, the RRB's OIG issued an unqualified ("clean") opinion on the RRB's 2004 financial statements, which was included in that report. In its evaluation of internal controls, the OIG noted one material weakness regarding information security training and access controls. Significant efforts are underway to correct the material weakness.

Performance Goal II-B: Ensure the integrity of benefit programs. As part of our fiduciary responsibilities to the rail community, we must ensure that the correct amount of benefits is being paid to the right people. We match our benefit payments against the Social Security Administration's earnings and benefits database, the Centers for Medicare and Medicaid Services' utilization and death records, the Office of Personnel Management's benefit records, and State wage reports, usually via computer tapes, and administer other benefit monitoring programs to identify and prevent erroneous payments. We also refer some cases to the RRB's OIG for investigation. After investigation, the Inspector General may pursue more aggressive collection methods, which include civil and criminal prosecution.

We measure the effectiveness of the matching programs each year by comparing the dollars collected or saved through these initiatives to their cost. For example, in fiscal year 2004, the RRB invested the equivalent of almost 27 full-time employees, at a cost of approximately \$1.99 million, in program integrity efforts. This resulted in \$8.9 million in recoveries, \$718,243 in benefits denied, and the referral of 147 cases to the OIG for investigation. This is approximately \$4.84 in savings for each dollar invested in these activities.

To accomplish this objective, we will:

- *Maintain established matching programs.*
- *Explore opportunities for additional matching programs where cost-effective.*
- *Continue our program integrity reviews.*

Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations. How we do our business is a critical component of good stewardship. The RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. We have ongoing programs which help us assess our performance in these areas. We use our management control review process as a means of reviewing critical agency processes in order to provide reasonable assurance of the effectiveness and efficiency of our programs and operations. If material weaknesses are detected, we take swift, aggressive, corrective action. In addition, we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures. We consider the findings from these

reviews as we plan our information technology initiatives. To achieve our goals for efficient, effective and secure operations, we will:

- *Continue to develop an effective succession planning program.*
- *Ensure the privacy and security of our customers' transactions with the RRB.*
- *Improve our ability to control and monitor information technology investments.*
- *Continue to seek ways to increase competitive sourcing opportunities.*
- *Make greater use of performance-based contracts.*
- *Expand our participation in e-Government initiatives.*
- *Request additional funding for information technology initiatives under the RRB's Enterprise Architecture Capital Asset Plan.*

In addition to our ongoing activities, during the planning period we will be placing special emphasis on strategic management of human capital, competitive sourcing and expanded electronic government. These have been identified as key areas in the President's Management Agenda.

**Fiscal Year 2006 Information Technology
Capital Plan Investments**

OMB Guidance Level

E-Government	\$150,000
IT task orders	250,000
System development tools	50,000
Requirements analysis - FFS conversion	200,000
Mainframe	175,000
Document imaging	100,000
Network/server operations	338,000
Standard workstation infrastructure	500,000
Information security	<u>150,000</u>
Subtotal at \$102.543 million level	\$1,913,000

Additional Amount Requested for the Enterprise
Architecture Capital Asset Plan (EACAP)

Planning services	\$120,000
Conversion team services	345,000
Infrastructure improvements	<u>390,200</u>
Subtotal, requested increase	\$855,200

Total, including EACAP\$2,768,200

See the IT Initiatives tab for more information.

Strategic Management of Human Capital – Strategic management of human capital is a primary initiative of the President's Management Agenda. Accordingly, the RRB has focused on several aspects of the human capital standards. For the last few years, tight budgetary resources drastically limited external hiring, particularly at the entry level, despite the fact that a significant percentage of RRB employees were eligible for retirement. In the spring of 2004, the agency's Executive Committee undertook a review of agency operations so as to increase efficiency and better position the RRB for the future.

A key recommendation by the group, subsequently approved by the three-member Board, was to take advantage of recently-enacted legislation that provided ongoing authority to offer voluntary separation incentive payments, or buyouts. The RRB successfully obtained such authority through December 31, 2004, along with the ability to offer early retirement to eligible employees. While budget projections indicated that the agency would need to decrease staffing by about four dozen employees during fiscal year 2005, the RRB had 77 retirement-eligible employees leave with buyouts during the first quarter. The savings generated by having more separations than the minimum number needed will allow the agency to begin some entry-level hiring and provide added funds for information technology initiatives. At the same time, the

RRB is taking advantage of existing expertise in terms of filling managerial vacancies that resulted from the buyout program. The net result will be a concerted effort to address any skills imbalances in the context of a more efficient organizational structure.

Complementing the hiring plan and organizational realignment, the RRB will make greater use of training as part of its ongoing succession-planning efforts. Following a contractor review of non-technical training needs, the agency reactivated its Training Council to enhance its capabilities in this area. A key activity by this group will be improved management development programs, particularly in response to anticipated guidance on this subject from the Office of Personnel Management. To improve training delivery, in fiscal year 2004, the RRB installed RRBVision, a Windows-based web communications system that allows users to view video presentations with accompanying training materials, such as PowerPoint presentations or on-line screens of mainframe or PC applications. Presentations can be viewed in real-time with limited interaction between presenter and viewer and saved to the server for later on-demand viewing. Our interest in obtaining this system was to provide our nationwide network of field offices with regularly scheduled, consistent training and to give us an additional tool to use for training within headquarters. In addition, we intend to explore the feasibility of using this facility to provide training to rail employers and to rail workers and their families on reporting requirements and on various services available on the Internet.

In keeping with the Administration's policy of consolidating payroll systems, working with the General Services Administration (GSA), the RRB successfully migrated to GSA's payroll system on schedule and within budget. RRB employees now enter time and attendance data on the GSA system in a web-based environment, with all processing and payroll disbursements handled by GSA.

Competitive Sourcing -- In 2004, the RRB listed 10 commercial activities on its Federal Activities Inventory Reform (FAIR) Act report. This was largely unchanged from the prior year's FAIR Act inventory, though it did reflect reduced staffing levels. The 2004 inventory reflected 141 filled positions engaged in the following commercial activities: library services; payroll processing; financial systems operations; occupational health; storage and warehousing; printing and reproduction; administrative support services; actuarial services; data processing services; and systems design, development and programming services.

As mentioned previously, the RRB shifted its payroll processing responsibilities to GSA in fiscal year 2004, as part of the e-Payroll initiative. Based on a report by the agency's Executive Committee, the RRB is currently exploring the possibility of using procedures in OMB Circular A-76 to determine the most efficient means of providing printing and reproduction services, as well as some information technology functions. In terms of the latter, any review of mainframe data processing will need to take into account restrictions imposed by the Internal Revenue Service (IRS) to safeguard tax- and wage-related information. (Prior IRS guidance had indicated that an agency could not utilize an outside contractor to process such information, though the IRS has since suggested that it would be possible if certain conditions are met.) For this reason, the Chief Information Officer is chairing an in-house committee that is conducting a more detailed review in this area.

In 1994, the Office of Federal Procurement Policy (OFPP) developed a pilot project in which agencies volunteered to convert continuing contract requirements to performance-based service contracts (PBSC) when they came up for renewal. The RRB was one of eight agencies that participated in the pilot. This pilot demonstrated that the use of these methods should lead to more cost-effective acquisitions, better value and greater competition. OFPP's Best Practices Guide on PBSC cites the RRB program as an example of proactive management support and direction from the highest agency levels. In September 2004, OMB issued guidance on expanded use of PBSC. Specifically, it set a fiscal year 2005 goal to award at least 40 percent of service contract dollars, on contracts of more than \$25,000, using PBSC techniques. In recent years, the RRB has awarded about 35 percent of eligible service contract dollars using PBSC methods, so the agency will need to achieve a slight increase in order to meet the new goal.

Expanded Electronic Government -- Our purchasing staff publishes all required and many optional procurement notices via an Internet connection to the government-wide, point-of-entry website (www.FedBizOpps.gov). The notices include pre-solicitation and award notices, as well as market surveys. We have over 90 employees authorized to use Fast Pay Credit Card for rapid micro-purchases or other simplified acquisitions. In 2002, we competitively awarded a Blanket Purchasing Agreement to a vendor to acquire office supplies, with a next business day delivery, by using an Internet-based ordering system.

Also, as one of the 24 initiatives under the e-Government goal of the President's Management Agenda, we are participating in the Integrated Acquisition Environment (IAE). The RRB has registered as a business partner to make use of electronic data exchange for intra-governmental ordering and billing to reduce payment and collection problems. The RRB has taken necessary steps to implement requirements in this area that took effect on October 1, 2003. These included implementing a requirement that contractors, whose contracts exceed \$2,500, be listed on a centralized registration system and increasing on-line reporting of such contracts using common data elements.

The RRB is also in the process of selecting a vendor for the e-Travel migration project, another government-wide initiative, this one aimed at automating and consolidating the Federal Government's travel process in a web-centric environment. This process covers all aspects of travel from authorizations and reservations to travel claims and voucher reconciliation. Migration is to be completed by September 30, 2006.

The RRB is participating in the E-Gov Business Gateway Initiative. The E-Forms Catalog provides citizens and businesses with a common access point to Federal agencies and business forms. It provides these parties with the ability to search for forms needed to interact with the Federal government. This catalog is a first step in a project whose goal is to provide a single site where citizens and businesses cannot only locate a form, but fill it out and submit it electronically.

In 2004, we initiated an on-line Retirement Planning Estimation program, provided the capability for customers to submit unemployment insurance applications on-line, and continued to expand our on-line Employer Reporting capability. By 2005, we will add the capability for customers to submit unemployment insurance claims on-line and notify employers of payment of RUIA benefits via the Internet before and after those payments are made.

In fiscal year 2006, we anticipate providing additional e-Government options to our customers, eventually allowing them to perform all primary functions electronically.

Our immediate goal is to provide Internet sickness insurance claims capabilities, expand the functionality of our RRB Helpline (interactive voice response), and further expand the Employer Reporting System to allow employers to file annual reports of service and compensation. Our plan assumes there will be no change in agency priorities or resource allocations that would draw support from these initiatives. Also, the number and functionality of options provided will be constrained by available funding.

Fiscal Year 2006 e-Government Initiatives

RRB Helpline enhancement (Annuity status inquiries)

File sickness insurance claims on-line

Expand the Employer Reporting System

Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.

Although the RRB no longer has primary responsibility for the investment of the trust fund monies, it continues to have responsibilities in ensuring that the new National Railroad Retirement Investment Trust, and its seven-member Board of Trustees, comply with the provisions of the RRA. This responsibility will be fulfilled through review of the monthly reports submitted by the Trust, the annual management reports submitted by the Trust, and the annual audit reports of the Trust's financial statements. The RRB Board Members and General Counsel also participate in periodic meetings and telephone conferences with the Trustees, the Chief Investment Officer and Trust counsel to review the investment and administrative activities of the NRRIT.

Information Security Program

The RRB continues to take actions to strengthen its information security program as a whole. In fiscal year 2004, we continued to expand the agency's disaster recovery capability by conducting a business impact analysis using contractual assistance. The Chief Security Officer, who heads the Risk Management Group, is responsible for the RRB's information security program; additional staffing in the group includes an Information Technology (IT) Security Specialist and an IT Assurance Analyst. Contractual support has provided additional resources to address effective risk management for specialized areas, as needed. Risk management at the RRB has been classified as either **strategic or operational**.

- **Strategic Risk Management:** The Chief Security Officer, who acts in the larger capacity of director of enterprise risk management, is responsible for strategic elements that include:
 - Planning and integrating enterprise-wide IT risk management policy, procedures and guidance.
 - Assisting business units in conducting certification and accreditation of the RRB's major applications and general support systems.
 - Coordinating agency-wide security policy as well as assessing and underwriting agency-wide security infrastructure and resource investments, and implementing effective enforcement solutions.
- **Operational Risk Management:** Various IT and business unit managers are responsible for day-to-day monitoring and management of the risk posture of the agency including: the administration of access rights (e.g., passwords); ultimate accountability for the integrity of information assets usually associated with application design and information ownership; and security operations processes (research, monitoring, scanning, incident response management, reporting, and forensics).

RRB Administrative Circular IRM-8, The Information Security Program of the Railroad Retirement Board, identifies the responsibilities for security throughout the organization. During fiscal year 2005, the Risk Management Group will:

- install and fine tune the Intrusion Detection System (IDS),
- conduct a network vulnerability assessment with contractor support,
- provide corrective action to resolve audit recommendations,
- assist in developing procedures that improve proper use of access controls of LAN/WAN and mainframe systems,
- begin developing policy and guidance for certification and accreditation in accordance with newly developed guidance and standards from the National Institute of Standards and Technology,
- complete the documentation of the Risk Management assessable unit for management control review,

- plan and provide technical training for the Computer Security Incident Response Team, general awareness training for agency employees, and specific training for employees with responsibilities for information system security, and
- conduct and/or ensure ongoing system security reviews and tests, and develop associated reports.

The annual budget for the group during fiscal year 2006 will be approximately \$500,000, including salaries, benefits, training, and contractual assistance which may be needed to perform audits and evaluations of systems or to provide expertise and guidance on preventative measures required to address the latest threats and vulnerabilities.

Railroad Retirement Board FY 2006 Final Performance Budget	2001 Actual (At \$95m)	2002 Actual (At \$97.6m)	2003 Actual (At \$99.35m)	2004 Actual (At \$100.7m)	2005 Appropriation (At \$102.543m)	2006 President's Budget Level (At \$102.543m) *
STRATEGIC GOAL I: Provide Excellent Customer Service						
Performance Goal I-A: Pay benefits accurately and timely.						
1. Achieve a railroad retirement benefit payment recurring payments: accuracy rate of at least 99%. ^{1/} (Measure: % accuracy rate)	Initial	99.89%	99.97%	99.91%	99.36% ^{2/}	99.00%
	Sample post recurring payments:	99.98%	99.94%	99.70%	99.92%	99.00%
2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate of at least 99%. ^{1/} (Measure: % accuracy rate)	Unemployment:	99.34%	99.12%	98.76%	99.91%	98.00%
	Sickness:	99.76%	99.94%	100%	99.84%	98.00%
3. Achieve a railroad retirement case accuracy rate of at least 94%. ^{1/} (Measure: % of case accuracy)	Initial cases:	New indicator for FY 2002	94.7%	93.6%	95.1% ^{2/}	91.0%
	Post cases:	New indicator for FY 2005	98.2%	96.1%	97.8%	94.0%

* In addition to the President's proposed level of funding for fiscal year 2006, the RRB has requested \$855,200 for critical needs associated with the Enterprise Architecture Capital Asset Plan, which is needed to migrate from our existing database environment (CA-IDMS) to a more current system. The specific items included in this request are listed on page 35.

^{1/}Payment Accuracy Rate – the percentage of **dollars** paid correctly as a result of adjudication actions performed.

Case Accuracy Rate – the percentage of **cases** that do not contain a material payment error. Case accuracy rates reflect only those errors that are detected as a result of reviewing award actions performed during the fiscal year being studied. (A material error is (1) an incorrect payment of \$5.00 or more at the point the error is identified, (2) an incorrect payment of less than \$5.00 totaling 1 percent or more of the monthly rate, or (3) any situation in which a non-entitled benefit is paid.)

^{2/} Does not reflect results from eight pending cases which may or may not result in a material error.

Railroad Retirement Board FY 2006 Final Performance Budget	2001 Actual (At \$95m)	2002 Actual (At \$97.6m)	2003 Actual (At \$99.35m)	2004 Actual (At \$100.7m)	2005 Appropriation (At \$102.543m)	2006 President's Budget Level (At \$102.543m) *
4. Achieve a railroad unemployment/sickness insurance case accuracy rate of at least 97%. ^{1/} (Measure: % of case accuracy)	Unemployment: New indicator for FY 2002	98.1%	98.5%	99.75%	97.0%	97.0%
	Sickness: New indicator for FY 2002	99.5%	100%	99.25%	97.0%	97.0%
5. Railroad retirement employee or spouse receives initial annuity payment, or a decision, within 35 days of annuity beginning date, if advanced filed. (Measure: % ≤ 30 processing days ^{3/})	95.6%	94.7%	95.1%	94.7%	92.0%	92.0%
6. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 65 days of the date the application was filed, if not advanced filed. (Measure: % ≤ 60 processing days ^{3/})	95.2%	96.0%	96.7%	97.8%	94.0%	94.0%
7. Survivor annuitant not already receiving a benefit receives initial payment, a decision, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 processing days ^{3/})	80.9%	81.4%	86.0%	84.5%	80.0%	80.0%
8. Survivor annuitant receiving benefits as spouse receives payment as survivor, notice of denial, or notice of application transfer to SSA, within 35 days of RRB receipt of the notice of employee's death. (Measure: % ≤ 30 processing days ^{3/})	91.1%	91.3%	91.8%	94.1%	90.0%	90.0%

^{3/} Allows 5 days for customer receipt.

Railroad Retirement Board FY 2006 Final Performance Budget	2001 Actual (At \$95m)	2002 Actual (At \$97.6m)	2003 Actual (At \$99.35m)	2004 Actual (At \$100.7m)	2005 Appropriation (At \$102.543m)	2006 President's Budget Level (At \$102.543m) *
9. Applicant for any railroad retirement death benefit receives payment, or notice of denial within 65 days of date filed. (Measure: % \leq 60 processing days ^{3/})	93.7%	96.0%	95.2%	95.4%	90.0%	90.0%
10. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % \leq 10 processing days ^{3/})	99.7%	98.7%	100%	99.25% of cases sampled	96.0%	96.0%
11. Railroad employee unable to work due to temporary illness or injury, receives SI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % \leq 10 processing days ^{3/})	99.5%	99.3%	99.3%	99.4%	96.0%	96.0%
12. Railroad employee, unemployed or unable to work due to temporary illness or injury, receives a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of claim receipt. (Measure: % \leq 10 processing days ^{3/})	99.7%	99.7 %	99.7%	99.7%	98.0%	98.0%
13. Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed. (Measure: % \leq 100 processing days ^{3/})	56.5%	53.7%	56.3%	55.9%	55.0%	55.0%
14. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % \leq 20 processing days ^{3/})	94.1%	94.2%	94.1%	94.8%	92.0%	92.0%
15. Maintain an end-of-year normal carry-forward balance in targeted workload categories. (Measure: number on hand at end of year)	4,915	5,147	3,934	4,281	11,000	7,500

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16. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	189	200	181	194	200	200
Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand.						
1. Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt. (Measure: % \leq 10 processing days ^{3/})	99.00%	98.9%	99.3%	99.3%	95.0%	95.0%
2. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: surveys and reviews; number of valid challenges to published data)	Completed study of initial award letters.	Draft report completed as scheduled.	Deferred	ACSI survey deferred	Conduct ACSI survey	Conduct an ACSI survey
	New indicator for FY 2003	New indicator for FY 2003	No valid challenges to published data.	No challenges to published data.	No more than two valid challenges to published data in FY 2005.	No more than two valid challenges to published data in FY 2006.
3. Maintain the combined balance of unprocessed record corrections and cases requiring review for corrected tax statements below the end-of-year normal working level. (Measure: number on hand at end of year)	517	432	93	891	1,200	1,200
Performance Goal I-C: Provide a range of choices in service delivery methods.						
1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: # of services available through electronic media)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	12 services available	15 services available	18 services available
Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers.						
1. Improve timeliness and efficiency in posting service and compensation data to agency records. (Measure: % of service and compensation records posted by April 15)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	95.0%	95.0%

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2. Improve accuracy in posting service and compensation data to agency records. (Measure: % of service and compensation records posted accurately)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	95.0%	95.0%
3. Covered employer annual reports of employees filed electronically, or on magnetic media. (Measure: % of employee records filed electronically, or on magnetic media)	97.45%	98.2%	97%	97%	97.0%	97.0%
4. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measure: % of employers who use the new on-line reporting process; # of services available through electronic media)	New indicator for FY 2003	New indicator for FY 2003	Deferred	52% 4 Internet services available	55% 6 Internet services available	60% 12 Internet services available
5. Resolve problem situations with covered employers timely and appropriately. (Measure: % of reported problems resolved within 90 days)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	95.0%	95.0%
<i>STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</i>						
<i>Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded and reported appropriately.</i>						
1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs and a variety of other collection efforts. (Measure: funds collected vs. total debts outstanding)	53%	64%	66%	69%	55%	55%
2. Release quarterly and annual notices accurately and timely to employers regarding their experience rating based contributions. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Yes	Yes

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3. Complete compensation reconciliations at least 1 year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by railroad employers to the RRB for benefit calculation purposes with compensation reported to the IRS for tax purposes.) (Measure: % completed)	100% of the 1998 reconciliations by 02/26/2001.	100% of the 1999 reconciliations by 02/15/2002.	100% of the 2000 reconciliations by 02/18/2003.	100% of the 2001 reconciliations by 02/20/2004.	100% of the 2002 reconciliations by 12/17/2004. (Actual)	100% of the 2003 reconciliations by 02/28/2006.
4. Perform monthly reasonableness tests comparing railroad retirement taxes deposited electronically, which represent over 99 percent of all railroad retirement taxes, against tax receipts transferred to the RRB trust funds by the Department of the Treasury (Treasury) to provide reasonable assurance the RRB trust funds are receiving appropriate tax funds. (Measure: reasonableness test performed and anomalies reconciled with Treasury (Yes/No))	New indicator for FY 2003	New indicator for FY 2003	Yes	Yes	Yes	Yes
5. Prepare annual Performance and Accountability Reports (including audited financial statements and other financial and performance reports) by the required due dates. (Measure: Yes/No)	New indicator for FY 2004 (Financial statements completed timely)	New indicator for FY 2004 (Financial statements completed timely)	New indicator for FY 2004 (Financial statements completed timely)	Yes. The FY 2003 Performance and Accountability Report was released in January 2004.	Yes. The FY 2004 Performance and Accountability Report was released on 11/10/04. (Actual)	Yes
6. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	91.7%	94.4%	94.1%	95.7%	90%	85%
<i>Performance Goal II-B: Ensure the integrity of benefit programs.</i>						
1. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: \$ recoveries & savings per \$ spent)	\$5.47 : \$1	\$5.48 : \$1	\$5.68 : \$1	\$4.84 : \$1	\$3.80 : \$1	\$3.80 : \$1

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2. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments. (Measure: # of States matching)	50 States, Puerto Rico, Wash. DC	50 States, Puerto Rico, Wash. DC	50 States, Puerto Rico, Wash. DC	50 States, Puerto Rico & Washington, DC	50 States, Puerto Rico & Washington, DC	50 States, Puerto Rico & Washington, DC
3. Ensure ongoing entitlement to disability by conducting continuing disability reviews. (Measure: # of continuing disability reviews on hand at the end of year does not exceed normal working balance. (Yes/No))	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	No	No
<i>Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations.</i>						
1. Continue succession planning by ensuring there is a cadre of highly skilled employees available for key positions. (Measure: # of position types (descriptions) for which core competencies have been defined	New indicator	New indicator	New indicator	1 position type	1 position	See below
# of employees whose skills have been assessed	New indicator	New indicator	New Indicator	39 employees	43 employees	
# of employees involved with skills-enhancement programs)	New Indicator	New indicator	New indicator	18 employees	43 employees	
(Measure for FY 2006 and later: structured succession planning activities are continuing – Yes/No)						Yes
2. Annually assess/update all computer security, disaster recovery, and business resumption plans for the agency. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Assessment and updates of all scheduled plans completed.	Yes. The agency will perform necessary assessments to verify the validity of the contingency solution policies and controls for those operational plans designated for the year that do not require contractual assistance.	No. Only the assessments and updates of security plans for systems with major changes will be accomplished.

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3. Develop and implement new procedures for responding to and reporting computer security incidents. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Procedures have been developed, and reports of identified incidents are documented. The RRB also purchased an Intrusion Detection System (IDS).	Yes. Funding will be sufficient to allow for activation and calibration of the IDS, and intrusion detection at the network level. Funding will not be sufficient to allow for auditing individual system logs to detect signs of unauthorized activity.	No. Procedures are in place but delayed reporting of incidents may result without sufficient resources to detect incidents. Delayed responses to significant incidents could jeopardize operations.
4. Assess computer security training requirements and implement an ongoing training program for agency staff. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Training needs were assessed and a security curriculum was developed based on audit findings. This includes an ongoing awareness training program for computer users at the agency.	Yes. Based on assessed needs, agency staff with significant information technology security responsibility will be enrolled in a security training program based on roles and responsibilities, relative to major applications and general support systems.	No. Based on assessed needs of agency staff, training in computer security will be limited to only the highest priority requirements subject to availability of funds.
5. Implement a methodology to successfully estimate, track and monitor total costs and time schedules for information technology investments through the project life cycle, incorporating both web and mainframe investments. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	30% completion. A multi-phase project has begun. A pre-pilot phase of the project using limited resources is ongoing. Pilot phases will follow into the next fiscal year depending on available resources.	No. Full implementation of the new project management software will not be possible at this funding level.
6. Assemble and publicize an annual inventory of RRB commercial activities on the RRB Website. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes

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7. Complete public-private competitions on the required activities listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTE's listed on the FAIR Act inventory for which competitions completed)	New indicator for FY 2002	5%	5% (cumulative)	5% (cumulative)	Meet target level established by OMB	Meet target level established by OMB
8. Meet government percentage goal for use of performance-based contracting techniques for eligible service contract funds. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Yes	Yes
9. Support government-wide procurement of e-Government initiatives using the point of entry vehicle of www.FedBizOpps.gov for all eligible actions. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Yes	Yes
<i>Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.</i>						
1. Review monthly reports submitted by the Trust. (Measure: Yes/No)	New indicator for FY 2004	New indicator for FY 2004	New indicator for FY 2004	Yes	Yes	Yes
2. Review annual management reports submitted by the Trust. (Measure: Yes/No)	New indicator for FY 2004	New indicator for FY 2004	New indicator for FY 2004	Yes	Yes	Yes
3. Review annual audit reports of the Trust's financial statements. (Measure: Yes/No)	New indicator for FY 2004	New indicator for FY 2004	New indicator for FY 2004	Yes	Yes	Yes